

ORIGINAL



BEFORE THE ARIZONA CORPORATION COMMISSION RECEIVED

COMMISSIONERS

MARC SPITZER, Chairman
WILLIAM A. MUNDELL
JEFF HATCH-MILLER
MIKE GLEASON
KRISTIN K. MAYES

2004 JAN 20 A 9:09

AZ CORP COMMISSION
DOCUMENT CONTROL

In the matter of)
INTERNATIONAL GLOBAL POSITIONING,)
INC., a Nevada corporation)
720 Brazos Street, Suite 500)
Austin, TX 78701)
JOHN J. MADSEN)
11801 W HWY 71)
Austin TX 78738)
MICHAEL J. COKER)
11801 W. HWY 71)
Austin, TX 78738)
JAMES W. DREOS, individually and dba DREOS)
FINANCIAL SERVICES, and ESTHER DREOS,)
husband and wife)
10201 E. North Ranch Gate Road)
Scottsdale, AZ 85255)
CRD# 802681)
EDMUND L. LONERGAN and DOLORES)
LONERGAN, husband and wife)
16126 East Powderhorn Drive)
Fountain Hills, AZ 85268)
CORPORATE ARCHITECTS, INC., a Nevada)
corporation)
8360 East Via de Ventura, Suite L-200)
Scottsdale, AZ 85258)
Respondents.)

DOCKET NO. S-03523A-03-0000

SECURITIES DIVISION'S RESPONSE
TO MOTION TO SEVER
PROCEEDINGS AGAINST
INTERNATIONAL GLOBAL
POSITIONS (SIC) INC., JOHN J.
MADSEN and MICHAEL J. COKER
FROM THOSE AGAINST THE OTHER
RESPONDENTS

Arizona Corporation Commission
DOCKETED

JAN 20 2004

DOCKETED BY

The Securities Division ("Division") of the Arizona Corporation Commission ("Commission") hereby responds to the Motion to Sever Proceedings Against International Global Positions (sic) Inc. ("IGP"), John J. Madsen and Michael J. Coker From Those Against the Other Respondents,

1 filed on January 15, 2004. The Division objects to any severance of this matter, and requests that
2 the Motion be denied for the reasons stated in the following Memorandum of Points and
3 Authorities.

4 **MEMORANDUM OF POINTS AND AUTHORITIES**

5 Moving respondents seek severance from Respondent James W. Dreos ("DREOS") to protect
6 IGP investors from disclosure to DREOS of certain information. The Division has requested
7 moving respondents to produce certain documents. Any documents produced to the Division will
8 be confidential pursuant to A.R.S. § 44-2042, unless they are made a matter of public record.
9 A.R.S. § 44-2042 provides that documents obtained by the Division in the course of an
10 investigation shall not be made available to anyone unless their disclosure is deemed not contrary
11 to the public interest by the Commission or the Director of the Securities Division.

12 Any proper objection to disclosure of documents or information should be raised and decided
13 by the Administrative Law Judge in the course of discovery in this proceeding. Any proper
14 objection to admission into evidence of documents or information can be effectively addressed
15 before the Administrative Law Judge at the hearing in this proceeding.

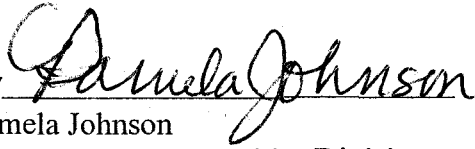
16 There are several reasons why the Division opposes severance, or a "separate trial," of the
17 proceedings against moving respondents, pursuant to Rule 20(b), Arizona Rules of Civil
18 Procedure. First, severance would not effectively dispose of the concerns raised by moving
19 respondents, but would result in increased delays, expense, prejudice, and harm to investors.

20 Second, there are efficient and effective ways to address respondents' concerns in the course of
21 this proceeding, as noted in the foregoing paragraph.

22 Third, severance of these proceedings would result in having two hearings concerning the same
23 transactions, occurrences or series of transactions or occurrences, involving the same parties and
24 the same witnesses. Such a result would be unnecessarily costly and time-consuming, and would
25 require duplicative efforts, inefficient use of State resources, and unreasonable burden to investor
26 witnesses.

1 For the foregoing reasons, the Securities Division respectfully requests that the Motion to
2 Sever be denied.

3 DATED this 20th day of January, 2004.

4
5 By 
6 Pamela Johnson
7 Attorney for the Securities Division
8
9

10 ORIGINAL and thirteen copies of the foregoing
hand-delivered this 20th day of January, 2004 to:

11 Docket Control
12 Arizona Corporation Commission
13 1200 West Washington Street
Phoenix AZ 85007

14 Copy of the foregoing delivered
15 this 20th day of January, 2004 to:

16 Marc E. Stern
17 Administrative Law Judge
18 Arizona Corporation Commission
1200 West Washington Street
Phoenix AZ 85007

19 Copy of the foregoing mailed
this 20th day of January, 2004 to:

20 Ron Kent Hooper
21 3420 East Shea, Ste. 247
Phoenix, AZ 85028
22 Attorney for Respondents International
Global Positions, Inc., John J. Madsen
23 and Michael J. Coker

24 Corporate Architects, Inc.
Edmund and Dolores Lonergan
25 16126 East Powderhorn Drive
Fountain Hills, AZ 85268
26

1 Lawrence J. Fleming
2 SHANNON & FLEMING., P.C.
3 1649 East Bethany Home Road
4 Phoenix, AZ 85016
5 Attorneys for Respondents
6 James W. and Esther Dreos
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

ptj